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Ontario

Ministry of
Housing

Government
Publications

Annual Report 1977/78

including the annual report of
Ontario Housing Corporation
Ontario Mortgage Corporation
North Pickering Development Corporation
Ontario Student Housing Corporation

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THE HONOURABLE
PAULINE M. MCGIBBON, Q.C., LL.D., D.U. (OTT.)
Lieutenant Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

I have the privilege of presenting, for the information of Your Honour and the Legislative Assembly, the Annual Reports of the Ministry of Housing, the North Pickering Development Corporation and the Ontario Mortgage Corporation for the fiscal year beginning April 1, 1977 and ending March 31, 1978, and the Annual Reports of Ontario Housing Corporation and Ontario Student Housing Corporation for the calendar year 1977.

Respectfully submitted,

A handwritten signature in cursive script that reads "Claude F. Bennett".

CLAUDE F. BENNETT
Minister



Office of the
Deputy Minister

Ministry
of
Housing

Hearst Block
Queen's Park
Toronto Ontario
M7A 2K5
416 965-3411

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF HOUSING

SIR:

I have the honour to submit for your approval
the 1977/78 Annual Report of the Ministry of
Housing.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "D. Crosbie".

DONALD A. CROSBIE
Deputy Minister



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Policy and program development secretariat

The secretariat initiates, directs, undertakes and co-ordinates program and policy-related research. It also monitors and ensures a ministry response to change.

Policy development

The policy development area evaluates and designs alternatives to ministry policies and programs and forms approaches to enable the ministry to pursue its goals effectively.

This group was active in several policy areas including evaluation of various shelter programs, assistance in the preparation of the green paper *Policy Options for Continuing Tenant Protection*, and an evaluation of conservator society proposals to identify the implications for the ministry. The group also contributed to various inter-ministerial studies, such as the preparation of a brief to the Royal Commission on Northern Environment (Hartt Commission), and co-ordination and preparation of a ministry response to the Report of the Ontario Residential Condominium Study Group.

Management planning and evaluation

This branch consists of a program analysis section and a surveys and statistical analysis section.

The program analysis group develops and implements the ministry's management reporting, planning and control systems, co-ordinates the ministry's multi-year plan estimates and management-by-results process, monitors program delivery systems and assesses their effectiveness.

The surveys and statistical analysis section provides the statistical and survey research base for the ministry and assembles the necessary statistics required for policy development. In the past year, major projects included a senior citizen applicant survey which examined the preference of senior citizens for various kinds of housing assistance, and a live/work survey to estimate the need for assisted housing as determined by residency and commuting patterns in regions surrounding Metro Toronto. In addition, a comprehensive data file on income/shelter costs of various municipalities was created from data made available by the 1974 Central Mortgage and Housing Corporation survey of housing units.

This section also administers the municipal housing statement program and related grants, and provides smaller municipalities with direct technical assistance in this area. In 1977/78, funds were approved for an additional 10 municipalities bringing the total commitments to \$749,550 since the program was initiated in 1974. Payments this year totalled \$125,700 bringing total payments to \$560,825 resulting in an outstanding program commitment of \$188,725.

Intergovernmental policy liaison

This activity provides an important information link by ensuring the ministry is aware of and responds to changing housing policy and program issues at the federal, provincial and municipal levels of government. For example, this activity provided the necessary co-ordinating support for a meeting of federal/provincial housing ministers, as well as for ongoing activities of the Provincial-Municipal Liaison Committee.

External studies

The secretariat provided funds for Ontario's share of the federal government's Task Force on the Supply and Price of Serviced Residential Land. In addition, the secretariat contributed funds as the province's annual share of the operating budget of the Intergovernmental Committee on Urban and Regional Research. A rental market survey covering eight Ontario cities was also financed and published by the secretariat.

Equal Opportunity Program

The Equal Opportunity Program in the 1977/78 fiscal year concentrated on using the established systems originated to ensure the program's continuing impact.

The formal introduction of management by results provided more firm commitment to the program by promoting each manager's continuing efforts to fulfill individually proposed affirmative action targets and objectives. Unfortunately, the current economic situation has resulted in some directors not attaining targets.

The statistical analysis substantiated the fact that limited affirmative change occurred for females, and demonstrated that current initiatives appear to be insufficient to meet the needs of both the organization and its female employees. Female representation increased by 2.6 per cent of the total in the administrative module and 2.5 per cent of the total in the professional module. However, following the trend of previous years, the number of women in the lower salary range (\$9,000-\$13,000) continued to increase whereas the greatest increase in the number of men occurred in the higher salary ranges (\$29,000 and up). In fact, the wage gap between men's and women's salaries has increased over the past year.

In addition to evaluating the results based on the recommendations of the affirmative action plan, the co-ordinator's office continued to monitor competitions, maintained an inventory of female employees, counselled women and fostered a high level of program visibility.

Two major publications were released — *The Women's Handbook* and the *First Edition, 1978*. Other projects in the development stage include a pre-retirement training program, data on broadbanding and manpower control and a research project examining affirmative action in the United States, specifically regarding reverse discrimination cases. As well, guidelines were being developed to expand the program to include the housing authorities.

In summation, the affirmative action plan's objectives have undoubtedly influenced the advancing status of women in the Ministry of Housing. Although improvement can be evidenced from the date of inception, the trend of the 1977/78 fiscal year, relative to previous years, has been one of little progress and produced limited changes towards equality of women.

Finance and administration division

The finance and administration division supplies management support services to all areas of the ministry and its associated crown corporations. The division is organized into five main organizational components: financial services; computer support and systems support services; personnel and human resource services; procurement supply and associated office services activities; and the corporate secretary's office which supplies secretarial services to the boards of directors of crown corporations reporting to the ministry.

During the past year a significant activity within the finance and administration division was the completion of the design and most of the ground work entailed in developing a new Operational Financial Information System (OFIS) for all organizational components of the ministry. With a cash flow of some \$800 million annually and assets in Ontario Housing Corporation of over a billion dollars, it is necessary to ensure that financial information systems and attendant controls are in place to match the ministry's stewardship responsibility for the government's major real estate holdings. Two years ago the ministry initiated the OFIS project to ensure that both service to the public and the information needs of senior operating managers would be met through insuring adequate operating systems and control were in place. Included in the OFIS design will be the establishment of a computer network for the major housing authority offices throughout Ontario. This terminal network will be connected to large computer facility centres in Toronto and will provide many advantages to local housing managers and their staff including improving the service to tenants. The first of these terminals was scheduled for installation in the summer of 1978, with all installations expected to be completed in 1979.

With the continued decentralization of housing operations throughout Ontario, the personnel branch has assisted in the decentralization process by developing, and advising on, policies and procedures in all aspects of personnel administration for the guidance of all local housing authorities. The manpower planning and training section was involved in running orientation and skill retraining seminars for staff affected by reorganization. Training assistance was also provided in the development of the affirmative action program and the metric conversion program. The personnel branch also undertook a number of special initiative programs during the year including quality of work life experiments, co-ordination of the Ontario Career Action Program and the Quebec/Ontario Student Exchange Program.

The principal activity in the management systems branch during the year was related to the ongoing development of OFIS. The staff was also responsible for installing computer terminal experimental projects at the South Waterloo Housing Authority and in a Metro Toronto district office. Assistance was provided with the development and implementation of a number of computerized statistical modes for the management planning and evaluation and computer information system including the North Pickering Development Corporation and community renewal branch.

Project planning branch

The project planning branch was formed in April, 1977.

The branch provides practical and comprehensive community planning services to the ministry with respect to specific undertakings where there is direct or indirect government involvement. This has consisted of a wide variety of projects of differing sizes, short-term and ongoing, and dealing with such issues as community design, environmental impact, economic and social conditions, site analysis, engineering and transportation considerations, regional planning and development, subdivision planning, and building design and layout.

Projects

In the past year projects included:

- Detailed planning for large-scale urban development, e.g. Malvern and Saltfleet.
- Economic and architectural analyses for small town core commercial areas.
- Planning advice on large-scale ministry land holdings, e.g. Brantford, Waterloo, Ottawa and Windsor land assemblies.
- Planning evidence and appearance before the Ontario Municipal Board in support of ministry land developments, e.g. Hadati Farm (Guelph) and Oakville North.
- Regional planning appraisals for the community planning advisory branch.
- Detailed layouts for small housing projects, e.g. Arnprior, Carleton Place, Sarnia.
- Commercial/retail development and marketing advice to the plans administration division.
- Ongoing planning services for the new community of Townsend.
- Planning advice and liaison for hamlet residents in the North Pickering land assembly.
- Application of energy conservation to development projects in co-operation with the Ministry of Energy, e.g. the preparation of subdivision designs which economize on energy for heating, cooling and transportation. This work follows a seminar organized by the branch on energy and urban form: planning considerations for future residential communities.
- Conceptual planning for the utilization of long-term land banks.

Local planning policy branch

Functions and activities

The branch is divided into three sections: policy, programs and special studies. The policy section develops and recommends general provincial policy and legislation in the community planning field. The programs section is responsible for developing policy and standards on specific local planning activities, e.g. urban subdivision design, land use policy related to aircraft noise, subdivision and development agreements, the control of noise through planning, and development standards. The special studies section undertakes projects of an in-depth nature, providing the basic research requirements of the branch.

Report of the Planning Act Review Committee

The policy section provided technical and research support to the Planning Act Review Committee. The independent committee, chaired by Eli Comay, undertook a comprehensive review of the nature and process of municipal planning in Ontario. Its report was released by the minister in June, 1977, and distributed widely throughout the province with a request for submissions by Dec. 31. A special edition of *Housing Ontario* magazine was devoted exclusively to a summary of the report. A white paper, together with draft legislation, is being prepared. More than 350 submissions were received on the proposals outlined in the report and a detailed analysis of the submissions will be published at the same time as the white paper.

Urban development standards

This study, released in April, 1976, proposed ways of reducing housing costs by lowering the high planning and engineering standards applied to new subdivisions. The ministry is reviewing measures to encourage municipalities to use the study proposals, while surveying actual municipal site planning and engineering standards.

Lakeshore capacity study

The special studies section had responsibility for managing the lakeshore capacity study. It is an inter-ministerial study with participation by the ministries of Environment and Natural Resources. The objective of this research is to develop a predictive model, or series of models, to evaluate the impact of proposed cottage development on land and lake environments. The findings will be used in the subdivision approval process under the Planning Act.

The work focuses on the environmental impact of lakeshore development, e.g. impact on water quality, fisheries and wildlife. Since natural ecological processes are involved and field data for several summer seasons is required to provide a scientific base, the study is scheduled over a six-year period, to 1981.

Mobile homes

Site Planning Guidelines was published during the year. This 150-page document should help provide better residential environments for mobile homes.

Metric conversion

Guidelines for metric conversion of planning documents were published in a booklet form.

Planners' reference to legislation in Ontario

This publication is a quick reference on planning and related legislation for people within and outside the government.

Guide to the Planning Act

This guide is intended to acquaint the non-professional with provisions of the Planning Act.

Community planning advisory branch

The community planning advisory branch (CPAB) with offices in Ottawa, London, Sudbury, Thunder Bay and Toronto, is responsible for the promotion of community planning through the provision of educational activities, direct financial and technical assistance and advisory services. To minimize duplication in the planning process, heavy emphasis is placed on those areas without planning staff or with insufficient full-time staff.

Educational activities

In 1977/78, the branch organized two major conferences, one for municipal directors throughout the province and one for communities in Eastern Ontario. The branch also conducted 78 seminars for municipalities dealing with a variety of planning and housing-oriented topics. Staff of the branch also participated in 70 other educational activities sponsored by various public and private sector agencies.

Technical assistance

CPAB offers professional planning assistance to many Ontario municipalities on a no-cost consulting basis. During 1977/78, 19 official plan documents (new or major amendments), 43 zoning bylaws or bylaw amendments, 49 terms of reference for planning studies, and 34 other documents, including planning appraisals and interim planning policy documents were processed.

The branch also reviews draft planning documents by request, prior to their submission to the ministry or the Ontario Municipal Board for approval.

Financial assistance

CPAB administered a \$1.6 million grant program in 1977/78 designed to assist those municipalities with limited financial resources and planning staff to embark upon or complete a local planning program.

In 1977/78, 120 municipalities and 14 joint planning boards received provincial commitments for \$1,139,507.

These commitments were given to produce 173 different planning documents.

Official plan documents (new or revised, major amendments or secondary plans)	67
--	----

Zoning bylaw documents (new or revised, major amendments; bylaws to replace minister's zoning orders)	95
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Special/other planning studies	11
---------------------------------------	----

The branch also provided \$73,599 to administer planning activities in 14 areas containing unorganized territories in Northern Ontario.

Other activities

The branch recommended to the minister the establishment of, or alterations to, planning areas in 12 cases. Advice was provided on the definition, constitution and procedures of various planning boards.

Branch staff actively represented the ministry on 33 planning studies.

Comments were provided on a selective basis to the plans administration division from a local perspective on the appropriateness and adequacy of planning documents submitted for approval.

Branch staff also performed a liaison role with federal agencies and other provincial ministries located in these regions, as well as the local municipalities and public on matters of ministry concern.

Plans administration division

Plans administration division (PAD) consists of three branches: subdivisions, official plans, and operations and development control, and the development co-ordination section (formerly OHAP). The division is responsible for administering a wide range of approval functions provided under the Planning Act, and the issuance of study and incentive grants and interest-free loans to municipalities.

Subdivisions branch

Subdivisions branch is responsible for the review and approval of plans of subdivision and condominium (except where the authority has been delegated). The branch monitors the approval function in delegated municipalities and administers the minister's approval function for expenditures from park funds and the sale of "five per cent land" (land dedicated to municipalities by developers).

Official plans branch

Official plans branch evaluates and makes recommendations on applications submitted to the minister for approval of official plans and amendments to official plans. The branch also evaluates and recommends the endorsement of interim land severance and interim planning policies to the minister and reviews housing policy statements.

Operations and development control branch

The operations and development control branch carries out a variety of development control functions, including the processing of minister's consents and amendments to minister's zoning orders, commenting to the Ontario Municipal Board on zoning bylaws, and handling appeals to decisions on Niagara Escarpment development permits. The branch also provides operations review and administrative support services for the division as a whole.

Ontario Housing Action Program (development co-ordination section)

OHAP was introduced in 1974 to encourage the acceleration of approval and servicing of land for development.

The program ended March 31, 1978, but outstanding commitments will be fulfilled by the development co-ordination section, which is fully integrated with the plans administration division, community planning wing.

OHAP elements included:

- Housing study grants for planning work required for development to proceed (secondary plans, engineering studies).
- Interest-free loans to area and regional municipalities for major hard services (water and sewage).
- Incentive grants for area municipalities to approve new subdivisions and issue building permits.

In 1977 OHAP activities took place in 10 regional municipalities and in eight area municipalities outside the regional municipalities. These were the regions of Durham, Haldimand Norfolk, Halton, Hamilton-Wentworth, Niagara, Ottawa-Carleton, Peel, Metro Toronto, Waterloo and York, the cities of Barrie, Brockville, Guelph, Sault Ste. Marie, Thunder Bay, Windsor, Woodstock and the Township of Sarnia.

Annual statistics fiscal 1977-78

Subdivision and condominium

	Total 1977-78	Total 1976-77
Subdivisions		
Applications received	716	775
Draft approval	618	693
Final approval	543	514
Condominium		
Applications received	166	375
Draft approval	229	359
Final approval	269	261
Submissions of delegated regions	505	365

Official plans

	Total 1977-78	Total 1976-77
Proposed official plans received	26	20
Proposed official plan amendments received	625	548
Official plans approved	10	23
Official plans partially approved	44	25
Official plan amendments approved	486	424
Amendments partially approved	40	37
Official plans referred to Ontario Municipal Board	11	16
Official plan amendments referred	109	105

Zoning

	Total 1977-78	Total 1976-77
Comprehensive and amending bylaws received	2,112	2,695
Amending bylaws commented on	2,133	1,284

Zoning orders

	Total 1977-78	Total 1976-77
Registered	1	1
Amendments received	404	942
Amendments processed	988	782

Minister's consents

	Total 1977-78	Total 1976-77
Received	2,065	1,899
Finalized	1,713	1,150

Niagara Escarpment Commission

	Total 1977-78	Total 1976-77
Applications received	209	209
Finalized	209	205

Annual statistics fiscal 1977-78

Municipal housing study grants

	1977-78	1976-77
New studies	6	14
Total grant paid	\$112,262	\$504,475
Completion or extension of studies	15	6
Total grant paid	\$122,292	\$ 71,149

Interest-free loans

	1977-78	1976-77
Number of loans	11	12
Total loans approved	\$17,892,700	\$29,513,000
Amount disbursed	\$24,366,236	\$12,283,996

Housing incentive grants

	1977-78	1976-77
Amount disbursed	\$3,750,637	\$10,789,039

Community renewal branch

The community renewal branch is responsible for administering the following provincial and federal-provincial programs designed to upgrade the existing housing stock in Ontario.

Neighborhood Improvement Program (NIP)

NIP offered grant and loan assistance to municipalities to upgrade older residential neighborhoods under the terms of an annual federal-provincial agreement. Due to federal termination of their program, no new commitments were to be made after March 31, 1978.

Ontario municipalities that participated in the program were selected in consultation with the municipal liaison committee.

In 1977, 38 Ontario municipalities received allocations of \$17.2 million in federal funds. Under the cost sharing formula, the minimum accompanying provincial contribution would be \$8.6 million.

Ontario Home Renewal Program (OHRP)

OHRP provides per capita grants to municipalities to administer directly as loans to owner occupants whose adjusted annual family income is no greater than \$12,500. The grants are for the repair of faulty structural and sanitary conditions and the upgrading of the plumbing, heating, insulation and electrical systems of the residences.

In 1977/78, 359 Ontario municipalities received per capita grants totalling \$23 million. Since OHRP commenced in late 1974, 558 municipalities have entered the program.

In unorganized communities, OHRP is administered through provincial northern affairs offices. Homeowners in these areas received 169 loans totalling \$905,000 in 1977/78.

Ontario Home Renewal Program (Rental)

This is an experimental, limited-fund program designed to help landlords upgrade rental premises occupied primarily by tenants with low and moderate incomes.

OHRP (Rental) is directed to the rehabilitation of substandard dwelling units, with emphasis on faulty structural and sanitary conditions as well as upgrading of plumbing, heating, insulation and electrical systems.

In 1977/78, 28 municipalities were issued grants totalling \$2 million.

Ontario Downtown Revitalization Program

This program is designed to help eligible municipalities with a maximum population of 125,000 receive public investment for seeding projects to restore confidence in a community's core area.

Subject to the availability of funds, the province will provide assistance in the form of partially recoverable loans up to a maximum two-thirds of the approved cost of the project. Such a project must generate additional revenue to the municipality in the form of rents and/or taxes.

Eligible costs include:

- The acquisition and/or clearance of land for a revitalization project.
- Acquisition and rehabilitation of an existing key anchor building.
- Installation of a public open or covered mall or semi-mall.
- Improvement to ancillary services such as water, sewers and/or roads where such improvement will result in revitalization.

Total provincial recovery will be limited to 110 per cent of the initial two-thirds contribution. However, repayment is contingent upon additional revenue being created for the municipality. There is no firm period for this loan.

This program was announced by the minister in September, 1976. At the present time, five municipal projects have received ministerial approval-in-principle: Tillsonburg, Thunder Bay (Fort William), Vanier, Cornwall and Sarnia. Provincial allocations have been made to Sarnia (Phase I) of \$1.15 million and to Cornwall (Phase I) \$750,000 and (Phase II) \$8.5 million.



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THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF HOUSING

SIR:

As you are aware, the Board of Directors of North Pickering Development Corporation changed membership following the close of the fiscal year ending March 31, 1978. As current chairman and on behalf of the members of both the former and present boards, it gives me great pleasure to present to you the Annual Report and Statements of Accounts of the corporation for the above-mentioned fiscal period.

Respectfully submitted,

A handwritten signature in cursive script, reading "A. Crosbie".

DONALD A. CROSBIE
Chairman of the Board

North Pickering development corporation

Board of Directors

William B. Harris, Chairman
Mrs. Jill Gibson
Irving A. Paisley
Henry S. Polak
Donald C. Scott

The North Pickering Development Corporation is responsible for planning and developing a new community on the eastern portion of a 25,200-acre planning area located east of Toronto.

Role of the corporation

In 1977/78 the corporation concluded the basic task of defining its role and relationships to the province, the affected municipalities and the private development industry in respect to the planning and development of North Pickering.

Canada Consulting Ltd. was again retained to study and make recommendations on alternative forms of relationships with the private development industry in the planning and development of North Pickering.

The corporation continued to monitor general economic conditions, changes in provincial and municipal policies, and the level of development in the Toronto area and Durham region.

As a result of the consulting study and the changes in conditions and policies, the corporation made a number of significant recommendations to the Minister of Housing on the most effective manner of planning and developing North Pickering and the future status of the North Pickering Development Corporation.

Plan for development

Work continued on the preparation of a draft plan for development as required under section 18 of the North Pickering Development Corporation Act, 1974.

Arterial roads studies

A feasibility analysis for the easterly extension of Finch Ave., within the North Pickering planning area, was completed by McCormick Rankin and Associates Ltd., traffic engineering consultants. Traffic engineering consultants Totten, Sims, Hubicki and Associates Ltd. completed a feasibility analysis and functional planning for arterial roads within the initial stage of the proposed North Pickering urban area. Copies of these reports were appropriately distributed.

Hamlet planning

By mutual agreement, responsibility for the planning of the hamlets of Whitevale, Cherrywood, Martin's Subdivision, and Green River was transferred to the Town of Pickering.

Services

The Ministry of the Environment made substantial progress in the construction of the York/Durham trunk sewer system through the North Pickering site. Corporation staff provided technical advice and assistance ensuring that the servicing potential for the North Pickering site is maximized.

Secondary planning

As part of the ongoing planning work, a first draft of a secondary plan for the initial stage of development was prepared. This assisted the traffic engineering consultants in the arterial roads studies, allowed testing of some of the concepts and policies contained in the draft plan for development, provided a base for proposed housing studies, and served as a base for the prototype energy study undertaken jointly by the ministries of Housing and Energy.

Environmental planning and management

An environmental analysis was completed for the initial stage of development. Its purpose was to assess the environmental constraints on the development potential of these lands. This analysis represented a consolidation of several previous, specialized site studies.

Work continued through the fourth year of a water monitoring program to measure the quality and quantity of stream water in the proposed urban area.

The North Pickering hiking trail continued to attract a wide range of users. The trail was maintained and improved with summer student labor. Liaison with the Town of Pickering with respect to local outdoor recreation interest was maintained.

Personnel

Staff support to the North Pickering Development Corporation continued to be seconded from the Ministry of Housing pending final resolution of the role and responsibilities of the corporation. In order to ensure the orderly assimilation of employees by the corporation, a personnel manual containing terms and conditions of employment was prepared.

Finance

The financial implications and funding requirements for the development of North Pickering were analyzed and recommendations for financing made to the ministry. Discussions were recommenced with Central Mortgage and Housing Corporation to determine the feasibility and availability of federal funding for the development.

Accounting services

Corporation staff continued to provide accounting services to the Ontario Land Corporation and the North Pickering land acquisition and management branch for the lands and properties owned by the province in the North Pickering planning area.

North Pickering Development Corporation

Financial Statements and Report on the Audit Year ended March 31, 1978

NORTH PICKERING DEVELOPMENT CORPORATION

Incorporated without share capital
under The North Pickering Development Corporation Act, 1974

Balance Sheet March 31, 1978

	ASSETS	1978	1977
Cash		\$ 3,790	\$ 2,499
Accounts receivable		760	2,051
Deferred plan development costs (Schedule 1 and Note 2)		<u>1,765,898</u>	<u>972,036</u>
		<u>\$ 1,770,448</u>	<u>\$ 976,586</u>
	LIABILITIES		
Accounts payable		\$ 4,550	\$ 4,550
Capital indebtedness to the Treasurer of Ontario (Note 4)		<u>1,765,898</u>	<u>972,036</u>
		<u>\$ 1,770,448</u>	<u>\$ 976,586</u>

See notes to financial statements.

On behalf of the Board:



Director



Director

SCHEDULE 1

NORTH PICKERING DEVELOPMENT CORPORATION

Deferred Plan Development Costs
as at March 31, 1978

	1978	1977	1976	Total
Salaries and benefits	\$ 513,620	\$ 604,466	\$ 7,274	\$ 1,125,360
Transportation and communication	9,957	29,733	-	39,690
Supplies and equipment	4,932	24,430	-	29,362
Other administrative expenses	40,067	80,637	2,662	123,366
Planning consultants and studies	<u>95,441</u>	<u>186,200</u>	<u>-</u>	<u>281,641</u>
	664,017	925,466	9,936	1,599,419
Interest on loan (Note 4)	<u>119,909</u>	<u>46,570</u>	<u>-</u>	<u>166,479</u>
Total	<u>\$ 783,926</u>	<u>\$ 972,036</u>	<u>\$ 9,936</u>	<u>\$ 1,765,898</u>

See notes to financial statements.

NORTH PICKERING DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 1978

1. BASIS OF OPERATIONS

The Corporation was created to prepare the Plan for Development and develop the North Pickering Planning Area in accordance with the Plan. It is anticipated that continuing responsibility for the administration and development of lands will be transferred from the Corporation to other areas of the Provincial Government.

Title to lands in the North Pickering Planning Area is presently held by the Ontario Land Corporation.

2. ACCOUNTING POLICY

Deferred Plan Development Costs

The Corporation follows the policy of capitalizing planning, development and administrative costs considered as applicable to the generation of income producing assets. All expenditures incurred from the inception of the Corporation on July 30, 1975 to March 31, 1978 have, therefore, been accumulated as deferred plan development costs. The ultimate disposition of these accumulated administration and development costs will become the responsibility of other areas of the Provincial Government.

3. INDEBTEDNESS TO THE TREASURER OF ONTARIO

The Corporation is presently financed by loans from the Treasurer of Ontario. These loans bear interest at the rate of interest equal to the weighted average cost to maturity of long term securities issued by the Province of Ontario payable in Canadian funds and sold to the public during the fiscal year in which the loan is recorded in the Province's accounts.

4. RESTATEMENT OF COMPARATIVE FIGURES

As at March 31, 1977 the 1977 interest rate referred to in Note 3 had not been established and no estimate of the interest charge was recorded. The rates applicable for both 1977 and 1978 were subsequently determined. As a result, the interest charge for the two years was recorded and comparative figures have been restated to reflect the retroactive portion of the charge.

5. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.



Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2

To the Board of Directors of the North Pickering Development Corporation and to the Minister of Housing.

I have examined the balance sheet of the North Pickering Development Corporation as at March 31, 1978 and the schedule of deferred plan development costs for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1978 and the additions to its deferred plan development costs for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the interest on loans referred to in Note 4 to the financial statements, on a basis consistent with that of the preceding year.

In accordance with section 29 of The North Pickering Development Corporation Act, 1974, a report on the audit has been made to the Corporation and to the Minister.

Toronto, Ontario,
August 4, 1978.


F.N. Scott, C.A.,
Provincial Auditor.

Project evaluation branch

The project evaluation branch came into existence in April, 1977, having as its chief responsibility the Townsend Community Development Program.

The initial 15-month planning process undertaken by the Townsend Community Development Program, concluded on schedule in March, 1977, producing a conceptual plan for a mature community of 100,000 and detailed plans for the first development area. Following receipt of the printed reports, the proposals and reports were made public before the regional council of Haldimand-Norfolk in August. An intensive public and technical review of the proposals took place throughout the fall to determine the acceptability of the plans, and the results of this review process were transmitted to the Minister of Housing in January, 1978.

Additional studies were carried out to augment the information collected in the initial planning period. These studies consisted of updating population projections; completing an archaeological survey of the first development area; analysing potential future uses for an existing quarry; planning an open space system along the Nanticoke Creek; and comparing housing and income requirements in order to meet the goal of affordable housing.

As the co-ordinator of provincial interests for the Townsend project, the branch continued to liaise with a variety of provincial agencies. Chief among these were the Ontario Land Corporation concerning property management issues, the ministries of Government Services and Agriculture and Food with respect to the Farm Lease Program, and the Ministry of the Environment regarding the regional services scheme. In addition,

discussions took place with Mohawk College officials regarding the establishment of a community college adjacent to the future site of Townsend's downtown area.

The branch was also represented on the Haldimand-Norfolk regional official plan liaison committee. The main recommendations to emerge from the preliminary phases of the regional official plan process designated Townsend as the major growth centre in the region, with the administrative offices of the region to be centralized there.

Community development

Community housing division

The ministry, through the community housing division, committed 2,500 housing units for development throughout Ontario under section 43 of the National Housing Act (2,375 senior citizen units and 125 family housing units).

The number of units completed during the year was 4,227 (3,993 for senior citizens and 234 for families). Construction began on 1,701 units.

The ministry also entered into agreements with private landlords under section 44.1A of the NHA for the rental of 2,035 housing units (1,268 senior citizen and 767 family housing units).

In addition, financial support was provided to 29 new Community Sponsored Housing Program projects comprising 2,068 units (935 family and 1,133 senior citizen units). Of these, 995 units were rent supplemented under section 44.1.B (545 senior citizen, 387 family and 63 units for physically-handicapped residents).

The ministry, in co-operation with Central Mortgage and Housing Corporation, initiated 136 rural housing units under section 40 of the N H A. This program is administered for the partnership by the federal government.

Technical services division

The technical services division provides a consultative service within the Ministry of Housing and its crown agencies on professional and technical matters relating to land and housing. This service is available to senior management, program managers, and others within the ministry who are responsible for policy formation and evaluation and administration of the ministry's programs. Technical assistance is also provided to municipalities.

Expertise within the division includes architecture, engineering and appraisal.

Community land development division

The ministry, through the community land development division, undertakes the development and marketing of lands held by the province.

During the year, draft plan approvals were approved in the municipalities of Windsor, Guelph, Aurora and Stoney Creek (1,097 land units). In addition, registered plans of subdivision were finalized in the municipalities of Brockville, Niagara Falls, Kitchener and Ottawa (1,350 units).

Servicing contracts were initiated in Metro Toronto (Malvern), Niagara Falls, Sarnia, Brockville, Nepean, Kitchener and Goulbourn (2,267 units).

Twelve residential land sale calls were issued covering 1,455 housing units in Belleville, Espanola, Nepean, Niagara Falls, Oshawa, Windsor, Sudbury and Scarborough.

A major change in the Home Ownership Made Easy (HOME) Plan was implemented during the year. Prior to this, assistance under the HOME Plan had been restricted to those lands held by the province. In conjunction with the federal Assisted Home Ownership Program (AHOP), a province-wide grant of up to \$750 in addition to the federal assistance was made available. During the first year of operation, provincial grants totalling \$586,000 were made available to 1,528 purchasers under the AHOP/HOME Program.

The province, in co-operation with the federal government, assists municipalities in acquiring and servicing land for housing purposes. During 1977, commitments totalling \$9.5 million were made to Cochrane, Nakina, Ottawa, Smiths Falls, Thunder Bay, the City of Toronto, Metro Toronto and Vanier.

The ministry, through the community land development division's North Pickering land acquisition and management branch, is responsible for the management of the site east of Metro Toronto, including the productive use of agricultural lands, the leasing of residential and commercial properties and the return of hamlet houses to private ownership, as well as finalizing the purchase of lands expropriated by the government.

By the end of the year, 122 of 182 hamlet properties acquired, had been returned to private ownership. As of March 31, 1978, 1,227 parcels of land (about 8,464 hectares/20,900 acres) were leased.

Final settlements were reached with a further 45 former owners of properties which had been expropriated. Final settlements remain outstanding for 183 properties. All former owners had received 100 per cent of the ministry's estimate of market value.



Office of the
Chairman

Ontario
Housing
Corporation

101 Bloor Street West
Toronto Ontario
M5S 1P8

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF HOUSING

SIR:

It gives me great pleasure, on
behalf of the Board of Directors,
to present to you the Annual Report
and Statements of Accounts of
Ontario Housing Corporation and
Ontario Student Housing Corporation
for the year ended December 31, 1977.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "A. J. Trusler". The signature is fluid and cursive, with a large initial "A" and "J" and a stylized "T" and "R".

A. J. TRUSLER
Chairman of the Board

Ontario Housing Corporation

Board of directors

A. J. Trusler — Chairman
Douglas J. Beesley — Vice-Chairman
and General Manager
Mrs. Twyla E. Hendry
Maxwell L. Kaminsky
John J. MacDonald
Garfield A. MacInnis
Joseph A. Marrese
Mrs. Frances McHale
John B. McLean
Dr. Albert Rose
John C. Stefanini

Report of the chairman of the board

Despite financial and staff constraints, I can report with confidence that the corporation was able to continue its mandate for the provision and over-all management of assisted rental housing for families and senior citizens, as well as the development and marketing of land for residential purposes.

Recognizing that area residents have an important role in the management of local assisted housing developments, the corporation continued its process of management decentralization. Apart from the formation of new and expanded housing authorities, additional administrative responsibilities were delegated to authorities, particularly in the area of accounts receivable and payable activities.

In communities across the province, very responsible and dedicated people are members of the housing authorities and I take this opportunity to thank them, on behalf of the board, for their individual and collective efforts and accomplishments. Directing an assisted housing portfolio the size of OHC's requires not only sound business and financial acumen, but an equal sense of compassion and concern for the residents requiring this shelter assistance. Regardless of the size of their respective portfolios, the housing authorities show this balanced judgment.

At year's end, planning was well advanced on the design and development of the new Operational Financial Information System (OFIS) aimed at improving accounting efficiency. This planned computer network for larger housing management offices, along with a manual accounting method for smaller housing authorities, will be a vital tool in the decentralization process.

A three-year program to install smoke detectors in all dwelling units owned by the corporation was completed during 1977. The installation of detectors in more than 79,000 family and senior citizen units has paid rich dividends in terms of lives saved and reduced property losses. It is interesting to note that we believe this is the most extensive installation of smoke detectors in residential buildings by any one agency in North America.

The corporation continued its support and encouragement of the Institute of Housing Management, an organization pledged to train and accredit housing managers who can meet its standards of education, experience and ethics. Courses for home study were being prepared at the end of the year. Membership in this commendable organization is available to all persons employed in the housing management industry, who are prepared to study for the institute's diploma in housing management.

I want to express my thanks, first to my board colleagues for their support and diligence in addressing the many complex issues that came before us during my first year as chairman, second to our dedicated staff, and third to the many people in other areas of the Ministry of Housing, for their continuing assistance. It is only with their support and co-operation that we are able to achieve our objectives.

A. J. Trusler
Chairman

Private Assisted Rental Program

At year's end, OHC had approved seven projects — 437 senior citizen units. In addition, five projects — 221 units for senior citizens and 30 for family accommodation — were under review.

Assisted housing production

During the year, construction began on 1,862 units — 1,750 senior citizen and 112 family units.

A total of 29 tender calls were issued for 1,219 units of assisted housing. One of the modified tender calls was for the corporation's first solar-heated senior citizen housing development, in Aylmer.

Seventeen sites were acquired by the Ministry of Government Services on behalf of OHC. Fourteen were for senior citizen housing and three for family accommodation.

Rent Supplement Program

A total of 2,347 rent supplement units was generated through the Rent Supplement Program under which persons in need of assisted rental accommodation are housed in buildings owned by the private sector. The rent supplement units were acquired through various programs, including the Community Sponsored Housing Program and the Private Assisted Rental Program. Agreements covering 9,037 units were being administered by OHC at year's end.

Mohawk Gardens

Phase I of the Mohawk Gardens redevelopment area in Hamilton was completed, with 117 former wartime houses demolished and replaced by 93 single and semi-detached units. Thirty per cent of the new units were designated by OHC for use as assisted rental housing, and occupied by 28 of the original 117 tenants who were requested to move while the site was being redeveloped. The remaining tenants were housed elsewhere by the Hamilton-Wentworth Housing Authority.

During 1977 the board of directors approved relocating 160 families in Phase IV to provide for the further development of moderately-priced single family dwellings. A 169-unit senior citizen complex, also a portion of Phase IV, was under construction at year's end.

Redevelopment of Mohawk Gardens will provide a total of 712 housing units, including the 169 senior citizen units under construction. The neighborhood in the central part of Hamilton Mountain contained 516 houses before redevelopment began.

Housing management

At year's end, the corporation had the following units in its portfolio:

Family	48,252
Senior citizen	30,945
Total	79,197

In addition, OHC was administering Rent Supplement Program agreements covering 9,037 units.

Tenant placement

New applications received (Metro Toronto)	8,056
New applicants housed (Metro Toronto)	4,179

Tenant placement waiting list as of Dec. 31, 1977:

Family	
(Province)	8,252
(Metro Toronto)	5,467
Total family	13,719
Senior citizens	
(Province)	11,237
(Metro Toronto)	1,212
Total senior citizens	12,449
Total waiting list (Family and senior citizens)	26,168
Total waiting list (Dec. 31, 1976)	37,060

Housing operations (Ontario)

The management role of this branch was further expanded in 1977. New accommodation coming under administration totalled 3,553 units (292 for families and 3,261 for senior citizens). This created a total portfolio at year's end of 50,040 rental housing units managed through 53 housing authority and nine direct management operations.

The decentralization of powers to housing authorities continued through the introduction of the integrated payroll and personnel benefits system at the local level. In addition, planning was finalized for the implementation of an accounts payable function at all field locations as part of the preparations for the installation of the Operational Financial Information System (OFIS). This will provide on-line terminals at designated offices. During the year, a pilot project relating to the rent system was in operation at the South Waterloo Housing Authority and the results of this experience have proved the worth of the OFIS approach.

The Ministry of Housing and the Institute of Housing Management sponsored the first annual housing management conference in November. For two days, more than 300 property managers of OHC projects across the province gathered in Toronto to hear speakers and to participate in discussions.

Housing operations (Metro Toronto)

During the year, the housing operations branch (Metro) was reorganized.

All property management, tenant placement, maintenance, personnel/payroll, finance and administration functions were consolidated under the supervision of one director. This created the same type of management structure that operates in larger housing authorities across the province.

District G was chosen as the location for a Metro Toronto pilot computer terminal as part of the preparation for the introduction of the Operational Financial Information System (OFIS) during 1978.

A recreational co-ordinator was employed between April and September to oversee the 1977 Summer Recreation Program which involved 196 staff assigned to 72 locations across Metro. Partial funding came from the Ontario Youth Secretariat through the Experience '77 program. Activities included arts, crafts, drama and music sessions, and athletic and special events such as swimming, camping and penny carnivals. The activities were available to more than 173,000 OHC residents of all ages.

New tenant/management agreements were signed with the Alexandra Park Residents Association and the Regent Park Community Improvement Association.

Operational planning branch

During the year a major reorganization took place in which the former special committee on public housing management, community relations branch and provincial co-ordinating functions of the tenant placement branch were amalgamated into a new corporate component known as the operational planning branch.

Further progress was made with the program to reorganize the housing authority system in Ontario. By year's end 21 entirely new housing authorities had been established and 18 existing housing authorities had been reconstituted, bringing the total number officially in operation to 53.

In addition, a further six had been agreed upon and were awaiting the appointment of members before being inaugurated. This left only four areas for the completion of the necessary arrangements.

During the year 1977 a community relations manual was developed and distributed. Professional development workshops and seminars for community relation workers were held. The recreation unit monitored recreation programs in 14 municipalities including Metro Toronto.

Maintenance engineering

The main thrust of activities was on the preparation of plans and specifications for modernization and improvement works and advising project staff.

Approximately 700 improvement and remedial designs were prepared by both in-house and external technical consultants.

A major program to install smoke detectors in all units under OHC management was successfully completed three months ahead of schedule and within budget.

The safety program was consolidated in all portfolios through seminars, distribution of safety literature, safety letters on specific items, and regular inspections and consultation with the safety co-ordinator.

A manual on planned and preventive maintenance was prepared and distributed to more than 150 maintenance managers and supervisors.

Ontario Housing Corporation

Financial Statements and Report on the Audit Year ended December 31, 1977.


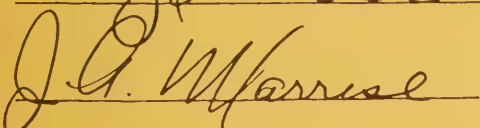
ONTARIO HOUSING CORPORATION
Incorporated without share capital under
The Ontario Housing Corporation Act

Balance Sheet
December 31, 1977

	ASSETS	1977	1976
Accounts receivable		\$ 34,988,369	\$ 15,366,530
Funds due from Ontario Student Housing Corporation		-	774,507
Operating funds due from the Treasurer of Ontario		38,265,702	27,386,867
Other assets		405,437	985,338
Mortgages and loans receivable		122,512,317	123,752,532
Investment in properties under agreements for sale		6,846,669	7,470,021
Land leased, at cost		72,461,535	73,202,058
Investment in properties under development, at cost (Note 2d)		184,776,649	154,855,162
Investment in Federal-Provincial properties, at cost, less accumulated amortization of \$2,297,338; 1976 - \$2,136,438 (Note 2a)		12,598,231	12,759,131
Rental housing properties, at cost, less accumulated amortization of \$20,129,052; 1976 - \$16,603,812 (Note 2b)		<u>1,125,030,000</u>	<u>1,071,062,275</u>
		<u>\$1,597,884,909</u>	<u>\$1,487,614,421</u>
Assets of mortgage guarantee and property damage funds (Schedule 1)		<u>\$ 1,530,812</u>	<u>\$ 1,469,751</u>

See notes to financial statements.

On behalf of the Board:

 Director
 Director

LIABILITIES	1977	1976
Bank indebtedness	\$ 3,524,647	\$ 1,826,745
Accounts payable and accrued liabilities	38,589,616	40,417,564
Funds due to Ontario Student Housing Corporation	2,986,039	-
Holdbacks and deposits on construction contracts	13,398,979	13,381,230
Mortgages, debentures and similar indebtedness		
- Central Mortgage and Housing Corporation	1,141,119,185	1,058,539,468
- Other	3,365,536	3,605,758
Capital indebtedness to the Treasurer of Ontario	349,198,216	327,864,452
Deferred income (Note 2c)	45,702,691	41,979,204
	<u>\$1,597,884,909</u>	<u>\$1,487,614,421</u>
Reserves of mortgage guarantee and property damage funds (Schedule 1)	\$ <u>1,530,812</u>	\$ <u>1,469,751</u>

ONTARIO HOUSING CORPORATION

Statement of Operating Funds Due from the Treasurer of Ontario
Year ended December 31, 1977

	1977	1976
Balance, beginning of year	\$ 27,386,867	\$14,546,375
Add: Net operating loss for the year:		
Ontario Housing Corporation	78,276,257	74,347,139
Ontario Student Housing Corporation	<u>19,384</u>	<u>128,221</u>
	105,682,508	89,021,735
Less: Funds provided during the year - net	<u>67,416,806</u>	<u>61,634,868</u>
Balance, end of year	<u>\$ 38,265,702</u>	<u>\$27,386,867</u>

See notes to financial statements.

ONTARIO HOUSING CORPORATION
Statement of Operations
Year ended December 31, 1977

	1977	1976
LOSS ON HOUSING OPERATIONS		
Provincial housing operations		
Rental revenue	<u>\$ 80,705,871</u>	<u>\$ 71,280,688</u>
Expenses		
Property operating expenses	118,522,837	99,033,507
Grants in lieu of municipal taxes	35,350,536	30,469,126
Amortization (Note 2b)	<u>88,405,040</u>	<u>79,723,975</u>
	<u>242,278,413</u>	<u>209,226,608</u>
Loss on provincial housing operations (Note 3)	161,572,542	137,945,920
Rent supplement payments to landlords (Note 4)	<u>15,267,122</u>	<u>8,298,320</u>
	176,839,664	146,244,240
Less: Central Mortgage and Housing Corporation and municipalities shares	<u>101,585,915</u>	<u>83,913,358</u>
	75,253,749	62,330,882
Federal-Provincial housing operations loss (Schedule 2) (Note 5)	2,196,923	1,886,013
Provincial contributions to municipal housing projects (Note 6)	<u>2,485,353</u>	<u>2,426,130</u>
Loss on housing operations	<u>79,936,025</u>	<u>66,643,025</u>
OTHER REVENUE AND EXPENSES		
Other revenue		
Interest	11,838,763	7,685,916
Income from leased land	3,860,245	5,771,149
Gain from sale of real property	1,758,988	969,754
Administration and management fees (Note 2e)	<u>54,965</u>	<u>413,707</u>
	<u>17,512,961</u>	<u>14,840,526</u>
Other expenses		
Interest	10,465,240	13,555,380
Administration (Schedule 3)	<u>5,387,953</u>	<u>8,989,260</u>
	<u>15,853,193</u>	<u>22,544,640</u>
Net other (revenue) expenses	<u>(1,659,768)</u>	<u>7,704,114</u>
Net operating loss for the year	<u>\$ 78,276,257</u>	<u>\$ 74,347,139</u>

See notes to financial statements.

SCHEDULE 1

ONTARIO HOUSING CORPORATION

Mortgage Guarantee and Property Damage Funds
Year ended December 31, 1977

	1977	1976
ASSETS		
Mortgage guarantee fund		
Cash	\$ 46,595	\$ 29,572
Due from Ontario Housing Corporation	-	2,557
Due from Ontario Mortgage Corporation	13,662	-
Securities, at cost, including accrued interest (Market value \$782,518; 1976 - \$671,350)	856,010	726,149
Mortgages receivable arising through assignment	273,849	336,160
Mortgages receivable arising from sale of real estate	<u>39,005</u>	<u>39,675</u>
	<u>1,229,121</u>	<u>1,134,113</u>
Property damage fund		
Cash	14,533	154,168
Due from Ontario Housing Corporation	11,345	(46,938)
Securities, at cost, including accrued interest (Market value \$271,602; 1976 - \$225,995)	<u>275,813</u>	<u>228,408</u>
	<u>301,691</u>	<u>335,638</u>
	<u>\$1,530,812</u>	<u>\$1,469,751</u>
	For the Year 1977	1977
	1977	1976
RESERVES		
Mortgage guarantee reserve (Note 7)		
Fees	\$ -	\$ 828,130
Interest income	<u>94,451</u>	<u>399,137</u>
	<u>94,451</u>	<u>304,686</u>
Net gain on operation and sale of real estate	<u>557</u>	<u>1,132,816</u>
	<u>95,008</u>	<u>1,854</u>
	<u>1,229,121</u>	<u>1,297</u>
	<u>1,134,113</u>	<u>1,134,113</u>
Property damage reserve (Note 8)		
Provision	343,737	2,097,348
Interest income	<u>28,213</u>	<u>157,826</u>
	<u>371,950</u>	<u>129,613</u>
	<u>2,255,174</u>	<u>1,883,224</u>
Less: Property damage losses	<u>405,897</u>	<u>1,953,483</u>
	<u>(33,947)</u>	<u>1,547,586</u>
	<u>301,691</u>	<u>335,638</u>
	<u>\$ 61,061</u>	<u>\$1,530,812</u>
	<u>\$1,530,812</u>	<u>\$1,469,751</u>

See notes to financial statements.

SCHEDULE 2

ONTARIO HOUSING CORPORATION

Loss on Federal-Provincial Housing Operations
Year ended December 31, 1977

	1977	1976
Rental revenue	<u>\$ 8,159,305</u>	<u>\$ 7,758,489</u>
Expenses		
Property operating expenses	12,367,390	11,420,133
Grants in lieu of municipal taxes	2,483,748	2,604,063
Amortization (Note 2a)	<u>3,711,963</u>	<u>3,642,412</u>
	<u>18,563,101</u>	<u>17,666,608</u>
Loss on Federal-Provincial housing operations	10,403,796	9,908,119
Less: Central Mortgage and Housing Corporation and municipalities shares	<u>8,206,873</u>	<u>8,022,106</u>
Federal-Provincial housing operations loss (Note 5)	<u>\$ 2,196,923</u>	<u>\$ 1,886,013</u>

See notes to financial statements.

SCHEDULE 3

ONTARIO HOUSING CORPORATION

Administration Expenses
Year ended December 31, 1977

	1977	1976
Salaries	\$ 1,658,172	\$ 7,389,404
General and office expenses	1,309,808	3,498,499
Transportation and communication	93,455	278,167
Supplies and equipment (Note 2f)	206,795	620,764
Construction supervision	548,897	1,813,500
Other	207,664	556,209
Administrative support services (Note 2g)	<u>8,872,565</u>	<u>-</u>
	12,897,356	14,156,543
Less: Recovery of administration expenses	<u>7,509,403</u>	<u>5,167,283</u>
	<u>\$ 5,387,953</u>	<u>\$ 8,989,260</u>

See notes to financial statements.

ONTARIO HOUSING CORPORATION
Notes to Financial Statements
December 31, 1977

1. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1977 presentation.

2. ACCOUNTING POLICIES

(a) Investment in Federal-Provincial Properties

Land and building costs relating to Federal-Provincial partnership properties are amortized over the 50 year term of the corresponding partnership agreements. The balance sheet item represents the Corporation's equity as at the statement date less accumulated amortization. The amortization charges consist of the following:

	1977		1976	
	Province	C.M.H.C. and Municipalities	Province	C.M.H.C. and Municipalities
Principal repayments	\$160,900	\$ 665,484	\$152,223	\$ 565,283
Carrying charges	<u>615,419</u>	<u>2,270,160</u>	<u>624,114</u>	<u>2,300,792</u>
	<u>\$776,319</u>	<u>\$2,935,644</u>	<u>\$776,337</u>	<u>\$2,866,075</u>
Total amortization per Schedule 2		<u>\$3,711,963</u>		<u>\$3,642,412</u>

(b) Rental Housing Properties

Land and building costs relating to wholly owned provincial projects are amortized over the 50 year term of the corresponding indebtedness. The amortization charges consist of the following:

	1977	1976
Principal repayments	\$ 3,525,240	\$ 3,241,080
Carrying charges	<u>84,879,800</u>	<u>76,482,895</u>
Total amortization	<u>\$88,405,040</u>	<u>\$79,723,975</u>

(c) Deferred Income

Deferred income is made up as follows:

	1977	1976
Unrealized gain from sale of real property	\$45,592,923	\$41,860,190
Other	<u>109,768</u>	<u>119,014</u>
	<u>\$45,702,691</u>	<u>\$41,979,204</u>

2. ACCOUNTING POLICIES (cont'd)

(c) Deferred Income (cont'd)

The unrealized gain from the marketing of real property arises when mortgages receivable form part of the consideration on property sales. The gain portion is the excess of the marketing price over cost and this gain is taken into income as related mortgage principal is repaid.

(d) Capitalization of Costs

Carrying charges, consisting principally of interest and grants in lieu of municipal taxes attributable to properties under development, are capitalized as part of the cost thereof.

(e) Administration and Management Fees

Management fees relating to the operation of Ontario Student Housing Corporation in the amount of \$25,000 are included in the reported total in accordance with an agreement between the two Corporations.

(f) Supplies and Equipment

Furniture and equipment purchases for general office use are charged to supplies and equipment in the year of acquisition.

(g) Administrative Support Services

During the year ended December 31, 1977, there was a significant change in the method of providing administrative support services to Ontario Housing Corporation. Prior to April 1, 1977, all such services were provided from in-house resources. Effective April 1, 1977, due to organizational changes, these administrative support service resources were transferred to the Ministry of Housing. For the nine month period from April 1, 1977 to December 31, 1977, the value of such support service costs, amounting to \$8,872,565, was allocated to Ontario Housing Corporation on a basis acceptable to both the Corporation and the Ministry.

3. LOSS ON PROVINCIAL HOUSING OPERATIONS

Provincial housing properties are those that are owned and administered by the Ontario Housing Corporation. Individual property operating statements are prepared for the benefit of Central Mortgage and Housing Corporation and two hundred and seventy-three municipalities.

4. RENT SUPPLEMENT PAYMENTS TO LANDLORDS

Under its rent supplement program, the Corporation provides rent-geared-to-income accommodation within the private sector to applicants from its waiting list. The cost of this program is shared with Central Mortgage and Housing Corporation and fifty-eight municipalities. As at December 31, 1977, there were 8,769 such units under contract with landlords throughout the province.

5. FEDERAL-PROVINCIAL HOUSING OPERATIONS LOSS

Federal-Provincial housing properties were developed under partnership agreements by Central Mortgage and Housing Corporation and are administered by Ontario Housing Corporation and thirty-five housing authorities throughout the province. Individual property operating statements are prepared for the benefit of Central Mortgage and Housing Corporation and forty-one municipalities. The loss reported in the Statement of Operations represents Ontario Housing Corporation's share only.

6. PROVINCIAL CONTRIBUTIONS TO MUNICIPAL HOUSING PROJECTS

In 1977 the Corporation agreed to contribute \$2,485,353 (1976 - \$2,426,130) to The Metropolitan Toronto Housing Company Limited towards operating subsidy costs for senior citizen apartment units.

7. MORTGAGE GUARANTEE RESERVE

The outstanding balance of approved lenders' mortgages guaranteed as at December 31 was \$52,670,383 in 1977 (\$60,505,857 in 1976).

8. PROPERTY DAMAGE RESERVE

The reserve is intended to cover repair costs relating to minor damage by fire, wind, water and vandalism.

9. CONTINGENCY

In June 1967, the Ontario Government passed The Condominium Act. The initial response to this new housing legislation from the private sector was limited which prompted Ontario Housing Corporation to embark upon an active program, through Ontario Mortgage Corporation, of financing condominium development. Participation in the financing of more than 14,000 condominium dwellings was undertaken. As an incentive for several of the earlier projects, including Chapel Glen and Flemingdon Woods, comprising more than 2,500 units, Ontario Housing Corporation provided financial guarantees. The contracts for these latter two developments in Metropolitan Toronto included clauses whereby Ontario Housing Corporation agreed to purchase any units remaining unsold six months after substantial completion. Due to a slower than expected public acceptance of high-rise condominiums, Ontario Housing Corporation, under the agreements, became liable during 1972 to purchase the unsold units

9. CONTINGENCY (cont'd)

at these two locations. By mutual agreement with the construction companies, the Corporation's liability with respect to the purchase of the unsold units was deferred in exchange for a corresponding deferment of the companies' liability for interest on construction advances.

Although the construction advances referred to are carried as assets by Ontario Mortgage Corporation, Ontario Housing Corporation is financially responsible for any settlement with the construction companies that may be negotiated under the contract clauses described above. As at December 31, 1977, accrued interest on advances for Chapel Glen and Flemington Woods projects amounted to \$6,462,257 and such interest has been included as income in the accounts of Ontario Mortgage Corporation.

10. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.



Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2


To the Members, Ontario Housing Corporation, and
to the Minister of Housing.

I have examined the balance sheet of Ontario Housing Corporation as at December 31, 1977 and the statements of operations and operating funds due from the Treasurer of Ontario for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1977 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

In accordance with section 12 of The Ontario Housing Corporation Act, a report on the audit has been made to the Corporation and to the Minister of Housing.

Toronto, Ontario,
May 15, 1978.


F.N. Scott, C.A.,
Provincial Auditor.

Ontario Student Housing Corporation

Financial Statements and Report on the Audit Year ended December 31, 1977.

ONTARIO STUDENT HOUSING CORPORATION

Incorporated without share capital under The Housing Development Act

Balance Sheet
December 31, 1977

	1977	1976
ASSETS		
Cash	\$ 311,685	\$ 3,399,922
Accounts receivable	135,294	685,623
Funds due from Ontario Housing Corporation	2,986,039	-
Recoverable losses on housing operations (Note 4)	-	9,874
Mortgage receivable	3,458,969	3,471,927
Investment in rental housing properties on leased land, at cost, less educational institutions' equity of \$2,104,481; 1976 - \$1,844,992 (Note 3)	66,451,904	66,711,393
Rental housing property, at cost, less accumulated amortization of \$387,045; 1976 - \$325,414 (Note 4)	<u>11,403,261</u>	<u>11,464,892</u>
	<u>\$84,747,152</u>	<u>\$85,743,631</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,948,791	\$ 2,944,551
Funds due to Ontario Housing Corporation	-	774,507
Holdbacks on construction contracts	-	22,980
Debentures and similar indebtedness - Central Mortgage and Housing Corporation	73,058,676	73,364,086
Capital indebtedness to the Treasurer of Ontario	8,517,264	8,547,327
Deferred income (Note 2a)	<u>222,421</u>	<u>90,180</u>
	<u>\$84,747,152</u>	<u>\$85,743,631</u>

See notes to financial statements.

On behalf of the Board:



Director



Director

ONTARIO STUDENT HOUSING CORPORATION

Statement of Funds Due from Ontario Housing Corporation Year ended December 31, 1977

	1977	1976
Funds (due to) due from Ontario Housing Corporation, beginning of year	\$ (774,507)	\$1,865,173
Add: Net operating loss for the year	<u>19,384</u> (755,123)	<u>128,221</u> 1,993,394
Add (Less): Funds transferred between Corporations during the year - net	<u>3,741,162</u>	<u>(2,767,901)</u>
Funds due from (due to) Ontario Housing Corporation, end of year	<u>\$2,986,039</u>	<u>\$ (774,507)</u>

See notes to financial statements.

ONTARIO STUDENT HOUSING CORPORATION

Statement of Operations
Year ended December 31, 1977

	1977	1976
NET REVENUE ON HOUSING OPERATIONS 30-35 Charles Street, Toronto		
Rental revenue	<u>\$2,016,658</u>	<u>\$1,837,298</u>
Expenses		
Property operating expenses	657,609	649,057
Grants in lieu of municipal taxes	502,251	450,104
Amortization (Note 4)	<u>722,857</u>	<u>722,857</u>
	<u>1,882,717</u>	<u>1,822,018</u>
Net revenue on housing operations	<u>133,941</u>	<u>15,280</u>
OTHER REVENUE AND EXPENSES		
Other revenue		
Interest	4,845,181	4,852,315
Gain from sale of real property (Note 2a)	<u>1,700</u>	<u>1,700</u>
	<u>4,846,881</u>	<u>4,854,015</u>
Other expenses		
Interest	4,836,759	4,749,429
Administration fee (Note 2b)	25,000	25,000
Directors' fees and expenses	4,506	6,251
Repair cost absorbed (Note 5)	<u>-</u>	<u>201,556</u>
	<u>4,866,265</u>	<u>4,982,236</u>
Net other expenses	<u>19,384</u>	<u>128,221</u>
Total operating revenue (loss) for the year	114,557	(112,941)
Transfer net revenue on housing operations to Deferred Income (Notes 2a and 4)	<u>133,941</u>	<u>15,280</u>
Net operating loss for the year	<u>\$ 19,384</u>	<u>\$ 128,221</u>

See notes to financial statements.

ONTARIO STUDENT HOUSING CORPORATION

Notes to Financial Statements
December 31, 1977

1. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1977 presentation.

2. ACCOUNTING POLICIES

(a) Deferred Income

The deferred income account as at the statement date includes the unearned portion of gain from sale of real estate and net revenue deferred on the operations of the Charles Street property in Toronto.

(b) Administration Fee

Ontario Housing Corporation provides administrative services to Ontario Student Housing Corporation and charges the cost of these services to the latter Corporation. The fee agreed upon between the two Corporations was \$25,000 for the year ended December 31, 1977.

3. INVESTMENT IN RENTAL HOUSING PROPERTIES ON LEASED LAND

The cost of student housing accommodation constructed on land leased from educational institutions is being repaid to the Corporation over the duration of the leases. When costs are fully repaid the buildings will become the property of the various educational institutions. Rental and maintenance activities on twenty-two such properties are administered by eleven universities or colleges in eleven municipalities throughout Ontario.

4. RENTAL HOUSING PROPERTY

This property which is located in Toronto to provide housing for University of Toronto students, is wholly owned by the Corporation and managed by a trust company. Land and building costs are being amortized over the 50 year term of the corresponding indebtedness. Operating losses are payable to the Corporation by the University and are reimbursable to the University from any net revenue of the project.

4. RENTAL HOUSING PROPERTY (cont'd)

The amortization charges consist of the following:

	1977	1976
Principal repayments	\$ 61,631	\$ 58,222
Carrying charges	<u>661,226</u>	<u>664,635</u>
Total amortization	<u>\$722,857</u>	<u>\$722,857</u>

5. REPAIR COST ABSORBED

Certain improvements carried out on a specific property were deemed to be the responsibility of the Corporation and were paid during the 1976 fiscal year.



Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2


To Ontario Student Housing Corporation and
to the Minister of Housing for the Province of Ontario.

I have examined the balance sheet of Ontario Student Housing Corporation as at December 31, 1977, and the statements of operations and funds due from Ontario Housing Corporation for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1977 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made in accordance with section 17 of Order in Council 3417/66 under which the Ontario Student Housing Corporation was constituted.

Toronto, Ontario,
April 19, 1978.


F.N. Scott, C.A.,
Provincial Auditor.



Ontario

Ontario
Mortgage
Corporation

60 Bloor Street West
Toronto, Ontario
M4W 3B8

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF HOUSING

SIR:

On behalf of the Board of Directors, I am
pleased to present to you the Annual Report
and Statements of Accounts of Ontario
Mortgage Corporation for the year ending
March 31, 1978.

Respectfully submitted,

H. W. HIGNETT, M.B.E.
Chairman of the Board and President

Ontario Mortgage Corporation

Board of directors

Herbert W. Hignett, MBE, Chairman
of the Board and President
A. J. Trusler, Deputy Chairman
and Senior Vice-President
Mrs. Maryon Brechin
Richard J. Hand
Prof. Samuel A. Martin
Arthur L. Moore
Charles C. Parsons

Report of the chairman of the board of directors

General circumstances prevailing in Ontario during the 1977/78 fiscal year did not require Ontario Mortgage Corporation to actively participate in new mortgage commitments in its role as a residential mortgage lender.

Demographic studies now suggest, over the long term, a declining demand for residential housing units in Ontario. The trend to lower housing starts has commenced. The figures are 79,130 starts in 1977 compared with 84,682 starts in 1976.

During the years of 1974-1976, OMC satisfied an urgent need for home ownership and rental accommodation by the low to moderate income groups by financing the production of over 26,300 new housing units. Mortgage assets now under administration amount to \$989 million for a total of 59,428 accounts including the mortgage and lease portfolio managed for Ontario Housing Corporation.

OMC had to acquire properties during the year through foreclosure, power of sale or quit claim action where mortgagors have gone into default with their payments. The units were offered for resale or as rental accommodation.

OMC has entered a new phase in its operations. In the March 7, 1978 budget report to the legislature, the Treasurer of Ontario announced that in the 1978/79 fiscal year, the corporation would offer for sale approximately \$125 million of its mortgage portfolio.

The officers and staff have been successful in introducing efficiencies in the financing and administration of the mortgage portfolio, and I am sure, will continue to meet the challenges of the new direction.

The board of directors wish to extend their appreciation for the continued high quality of service and effort in the administration of the corporation.

H. W. Hignett,
Chairman

Mortgage lending activity of Ontario Mortgage Corporation for the fiscal year 1977/78 was confined to advancing funds to builders in respect of commitments carried forward to the current year from prior years.

At March 31, 1978, the mortgage portfolio of OMC consisted of 29,787 mortgage accounts for a total value of \$740.409 million.

At year end, mortgage assets under administration amounted to \$989 million consisting of 59,428 accounts. This total includes the Ontario Housing Corporation mortgage and lease portfolio, managed by OMC, which is made up of first and second mortgages and 6,972 lease accounts for a total value of \$248.6 million.

During the year, mortgage funds of \$80.399 million were advanced. However, no new mortgage commitments were made during the year and at year end unadvanced mortgage commitments of \$25.405 million were outstanding.

Sales of housing units in Ontario during the year were slow in what emerged as a strong buyers' market. A large inventory carried forward from the previous year, the addition of new completed units and ample mortgage funds at stable interest rates did not attract the desired volume of purchasers.

Program	\$ Millions
Home Ownership Made Easy	\$420.496
Preferred Lending Program	32.001
Community Integrated Housing	5.554
Ontario Housing Action Program	178.312
Accelerated Rental Housing Program	90.279
Other	13.767
	\$740.409

Program	\$ Millions
Home Ownership Made Easy	\$18.013
Preferred Lending Program	1.082
Accelerated Rental Housing Program	2.082
Ontario Housing Action Program	2.287
Other	1.941
	\$25.405

Administration

The expected benefits arising from earlier studies to achieve increased efficiency were largely realised during the year and were reflected in the staff complement reduction from 143 to 108.

On June 23, 1977, a memorandum of agreement, specifying OMC corporate scope of operation and relationship within the Ministry of Housing, was executed between the Minister of Housing and OMC.

In order to enhance the competitiveness of unsold Ontario Housing Action Program units with a mortgage interest rate of 10¼ per cent, the Ontario government introduced the Provincial Interest Reduction Loan Program in June, 1977. Under the program, an interest subsidy loan is paid monthly over five years, reducing the interest rate to 8 per cent in the first year with assistance reduced over the remaining four years. Repayment of the loan is commenced in the seventh year at the first mortgage rate of interest. Some 900 units are affected.

Ontario Mortgage Corporation

Financial Statements and Report on the Audit Year ended March 31, 1978

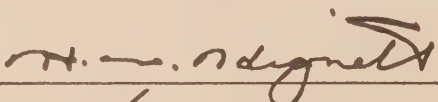
ONTARIO MORTGAGE CORPORATION

Balance Sheet
March 31, 1978

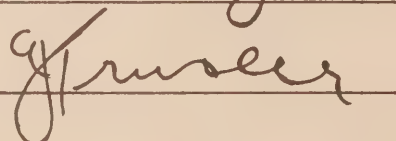
	1978	1977
ASSETS		
Cash	\$ 6,185,971	\$ 4,358,542
Funds on deposit with the Treasurer of Ontario	11,309,691	2,706,392
Accounts receivable (Note 2a)	412,274	377,377
Mortgages receivable (Note 3)	737,086,856	690,396,966
Real estate, at cost (Notes 2b, 5)	15,849,063	-
	<u>\$770,843,855</u>	<u>\$697,839,277</u>
Assets of Mortgage Contingency Fund (Schedule I)	<u>\$ 10,624,748</u>	<u>\$ 8,673,354</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,019,399	\$ 500,580
Mortgage payable (Note 5)	5,906,858	-
Advances from the Treasurer of Ontario	758,162,400	694,039,300
	<u>766,088,657</u>	<u>694,539,880</u>
SHAREHOLDERS' EQUITY		
Capital stock - authorized and issued 10 shares, no par value	10	10
Retained earnings	4,755,188	3,299,387
	<u>4,755,198</u>	<u>3,299,397</u>
	<u>\$770,843,855</u>	<u>\$697,839,277</u>
Reserve of Mortgage Contingency Fund (Schedule I)	<u>\$ 10,624,748</u>	<u>\$ 8,673,354</u>

See notes to financial statements.

On behalf of the Board:



Director



Director

ONTARIO MORTGAGE CORPORATION

Statement of Earnings and Retained Earnings Year ended March 31, 1978

	1978	1977
REVENUE		
Interest (Note 2a)	\$70,717,997	\$59,015,465
Other	<u>644,699</u>	<u>449,234</u>
	<u>71,362,696</u>	<u>59,464,699</u>
EXPENSES		
Interest	66,044,893	54,774,807
Administration (Schedule II)	<u>2,418,359</u>	<u>3,120,406</u>
	<u>68,463,252</u>	<u>57,895,213</u>
EARNINGS BEFORE REAL ESTATE ITEMS	2,899,444	1,569,486
Loss on real estate operations (Note 4)	(264,054)	-
Recovery of loss of real estate operations from Mortgage Contingency Fund (Note 4)	<u>264,054</u>	<u>-</u>
EARNINGS BEFORE EXTRAORDINARY ITEM	2,899,444	1,569,486
Extraordinary item (Note 4)	<u>1,443,643</u>	<u>853,011</u>
Net earnings for the year	1,455,801	716,475
Retained earnings, beginning of year	<u>3,299,387</u>	<u>2,582,912</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 4,755,188</u>	<u>\$ 3,299,387</u>

See notes to financial statements.

Schedule I

ONTARIO MORTGAGE CORPORATION
Mortgage Contingency Fund
Year ended March 31, 1978

		1978	1977
ASSETS			
Cash		\$ 653,613	\$ 51,012
Due from (to) Ontario Mortgage Corporation (Note 4)		1,458,739	(149,228)
Due to Central Mortgage & Housing Corporation		(30,034)	-
Securities, at cost, including accrued interest (Market Value \$7,388,576; 1977 - \$7,722,595)		8,027,277	8,027,277
Mortgages receivable acquired from sale of real estate		515,153	465,257
Real estate acquired by foreclosure, at cost (Note 4)		-	279,036
		<u>\$10,624,748</u>	<u>\$8,673,354</u>
RESERVE			
	Year ended March 31, 1978	1978	1977
Fees	\$ 60,572	\$ 6,307,789	\$6,247,217
Interest income	764,854	2,501,762	1,736,908
Extraordinary item (Note 4)	<u>1,443,643</u>	<u>2,296,654</u>	<u>853,011</u>
	2,269,069	11,106,205	8,837,136
Loss on operation and sale of real estate (Note 4)	(53,621)	(217,403)	(163,782)
Loss on operation of real estate administered by Ontario Mortgage Corporation (Note 4)	<u>(264,054)</u>	<u>(264,054)</u>	<u>-</u>
	<u>\$1,951,394</u>	<u>\$10,624,748</u>	<u>\$8,673,354</u>

See notes to financial statements.

Schedule II

ONTARIO MORTGAGE CORPORATION

Administration Expenses
Year ended March 31, 1978

	1978	1977
Salaries	\$1,327,360	\$1,376,294
Employee benefits	131,661	128,151
Transportation and communication	65,995	49,766
General and office services	838,016	1,422,285
Supplies and equipment (Note 2c)	<u>55,327</u>	<u>143,910</u>
	<u>\$2,418,359</u>	<u>\$3,120,406</u>

See notes to financial statements.

ONTARIO MORTGAGE CORPORATION
Notes to Financial Statements
March 31, 1978

1. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1978 presentation.

2. ACCOUNTING POLICIES

(a) Interest

In the provision of primary and secondary financing for moderate income families, the Corporation's interest lending rates are set by the Province of Ontario. Where lending rates are lower than the Corporation's borrowing rates, resulting losses arising from such lending at negative interest margins are provided for in provincial annual estimates. For the year ended March 31, 1978, negative margin losses of \$1,810,000 were recovered through the estimates process and included in interest revenue. The balance of \$247,329 of negative margin losses incurred for the year has also been included in interest revenue and will be recovered during the next fiscal year.

(b) Real Estate

Real estate acquired upon default of loans is recorded at the unpaid loan balance plus interest accrued to the date of default, together with any acquisition expenditures incurred and improvement costs, less rental income. In accordance with a Board of Directors resolution, dated August 18, 1977, the accounting policy of claiming real estate acquisition costs, from the Mortgage Contingency Fund immediately upon default, was changed. In order to maintain liquidity in the Mortgage Contingency Fund, it was decided to carry acquired real estate as an asset of Ontario Mortgage Corporation and to claim real estate operating losses from the fund, and to effect settlement of capital losses or gains with the Mortgage Contingency Fund upon disposal of the real estate. No depreciation is recorded on real estate acquired on default due to the temporary nature of these holdings.

(c) Supplies and Equipment

Furniture and equipment purchases for general office use are charged to supplies and equipment in the year of acquisition.

3. MORTGAGE PORTFOLIO ASSETS

Mortgage portfolio assets as at March 31, 1978 consist of the following:

	1978	1977
Insured under the National Housing Act	\$105,351,393	\$ 60,182,588
Miscellaneous insured	146,339	31,786
Uninsured	615,691,416	616,249,096
Accrued interest and taxes	<u>15,897,708</u>	<u>13,933,496</u>
	<u>\$737,086,856</u>	<u>\$690,396,966</u>

In the March 7, 1978 Budget Report to the Legislature, the Treasurer of Ontario announced that in the 1978-79 fiscal year, the Ontario Mortgage Corporation will offer for sale approximately \$125 million of the mortgage portfolio owned by the Corporation.

4. MORTGAGE CONTINGENCY FUND

During the year, contingency fees of \$181,413 were paid by the Corporation to the Mortgage Contingency Fund to cover first and second mortgage advances of \$14,513,033. The fees covered mortgages previously excluded from the Fund and low cost family rental housing mortgages financed during the year for which no contingency fees were chargeable.

At a Board of Directors meeting held on March 16, 1978, a charge against current earnings was approved, equal to one-fifth of one per cent of the uninsured mortgage principal balances and real estate acquisitions amounting to \$631,115,064 to be remitted to the Mortgage Contingency Fund to strengthen the liquid resources of the Fund. The approved charge amounted to \$1,262,230. Including the fees of \$181,413, the total charge to the Corporation's current earnings was \$1,443,643.

At March 31, 1978, real estate consisting of 17 properties held by the Mortgage Contingency Fund, was transferred to Ontario Mortgage Corporation for the sum of \$620,078.

Losses incurred on operation and sale of real estate totalled \$317,675 made up as follows:

Ontario Mortgage Corporation	\$264,054
Mortgage Contingency Fund	<u>53,621</u>
	<u>\$317,675</u>

4. MORTGAGE CONTINGENCY FUND (cont'd)

During 1978-79 the expected sales of the portion of Ontario Mortgage Corporation portfolio assets referred to in Note 3 will necessitate a payment from the fund of approximately \$740,000 to insure mortgages with a private mortgage insurance company to facilitate disposal of assets. Similar payments will be required as future asset disposals take place.

5. ACQUIRED REAL ESTATE

As at March 31, 1978, the Corporation had acquired title to 174 properties consisting of townhouses, condominium apartments and single family homes as well as a rental apartment complex.

Acquisition Costs of properties acquired by the Corporation	157 properties	\$13,147,598
Acquisition Costs of properties previously held by the Mortgage Contingency Fund (Note 4)	<u>17 properties</u>	<u>620,078</u>
	174	\$13,767,676
Properties held under Power of Sale		<u>2,081,387</u>
		<u>\$15,849,063</u>

Subsequent to the year end, in addition to the above, the total of acquired real estate was increased by \$3.7 million as a result of further acquisition.

The amount included in Mortgage Payable is the balance of the first mortgage outstanding on the acquired rental apartment complex.

6. REMUNERATION OF DIRECTORS AND SENIOR OFFICER

The aggregate direct remuneration for the seven directors and one senior officer for the year ended March 31, 1978 was \$66,241.

7. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation is subject to controls on Compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.



Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2


To the Shareholders of Ontario Mortgage Corporation.

I have examined the balance sheet of Ontario Mortgage Corporation as at March 31, 1978 and the statement of earnings and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1978 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to Ontario Mortgage Corporation and to the Minister of Housing.

Toronto, Ontario,
July 17, 1978.


F.N. Scott, C.A.,
Provincial Auditor.



Ontario

Ministry of
Housing